

OFFICE OF THE STATE CONTROLLER

STATE MANDATED COST CLAIMING INSTRUCTIONS NO. 2008-22

ANNUAL REVISIONS - COMMUNITY COLLEGE DISTRICTS

OCTOBER 31, 2008

Government Code (GC) Section 17561 provides for the reimbursement of state mandated costs. Enclosed is information for updating the Mandated Cost Manual for Community Colleges. The manual contains all forms and instructions that are necessary for community college districts (CCDs) to file 2007-08 fiscal year annual claims with the State Controller's Office (SCO).

Reimbursement claims detailing the costs actually incurred in the 2007-08 fiscal year must be filed with SCO. and be delivered or postmarked on or before **February 17, 2009**. If the reimbursement claim is filed after the deadline, but by **February 16, 2010**, the approved claim will be reduced by a late penalty of 10% without limit for initially filed claims and for continuing programs, the late fee is 10% not to exceed \$10,000. **Claims will not be accepted if filed more than one year after the deadline.**

Pursuant to GC Section 17561 (d), the Controller shall pay any eligible claim by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later.

Amounts appropriated for the payment of program costs are shown beginning on page 3, under "Appropriations for the 2008-09 Fiscal Year." The fiscal years for which costs can be claimed for mandated cost programs are shown beginning on page 4, under "Reimbursable State Mandated Cost Programs." To prepare 2007-08 reimbursement claims, forms in the manual should be duplicated to meet the district's filing requirements. Claim amounts should be rounded to the nearest dollar.

Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

## **MINIMUM CLAIM COST**

GC Section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000), provided that a county superintendent of community colleges may submit a combined claim on behalf of CCDs within their county if the combined claim exceeds \$1,000, even if the individual CCD's claim does not each exceed \$1,000. The county superintendent of community colleges shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each CCD. Combined claims may be filed only when the county superintendent of community colleges is the fiscal agent for the CCDs. A combined claim must show the individual claim costs for each eligible CCD. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a CCD provides a written notice of its intent to file a separate claim to the county superintendent of community colleges and to SCO at least 180 days prior to the deadline for filing the claim.

## **ESTIMATED CLAIMS**

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

## **UPDATES OF RATES AND FACTORS**

The following rates are to be used for filing 2007-08 reimbursement claims. These rates are computed by adjusting the 2006-07 rates by changes in the Implicit Price Deflator (IPD) as determined by the State Department of Finance's Report of April 30, 2008, National Deflators, State and Local Purchases. The change in the IPD for 2007-08 is 5.5%.

- *Ch. 961/75, Collective Bargaining (Program No. 232)*

The 2007-08 GNP Deflator factor for adjusting the 1974-75 Winton Act cost is 4.315.

- *Ch. 465/76, Peace Officers Procedural Bill of Rights (Program No. 239)*

The 2007-08 flat rate is \$39.31.

**APPROPRIATIONS FOR THE 2008-09 FISCAL YEAR****Source of State Mandated Cost Appropriations – 2008 State Budget Act (Chapter 268/269)**

Schedule	Program	Amount Appropriated
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**Item 6870-295-0001**

Pgm. #				
231	Ch.	77/78	Absentee Ballots	0 <sup>1</sup>
232	Ch.	961/75	Collective Bargaining	0 <sup>1</sup>
233	Ch.	1120/96	Health Benefits for Survivors of Peace Officers and Firefighters	0 <sup>1</sup>
234	Ch.	1/84	Health Fee Elimination	\$3,989,000
256	Ch.	1116/92	Integrated Waste Management	0 <sup>1</sup>
235	Ch.	783/95	Investment Reports	0 <sup>1</sup>
212	Ch.	284/98	Law Enforcement College Jurisdiction Agreements	4,000
239	Ch.	465/76	Peace Officers Procedural Bill of Rights	0 <sup>1</sup>
240	Ch.	875/85	Photographic Record of Evidence	0 <sup>1</sup>
241	Ch.	908/96	Sex Offenders Disclosure by Law Enforcement Officers	11,000
247	Ch.	105/87	Sexual Assault Response Procedure	0 <sup>1</sup>
242	Ch.	1249/92	Threats Against Peace Officers	0 <sup>1</sup>
				<u>\$4,004,000</u>

**SUSPENDED MANDATES FOR 2007-08 FISCAL YEAR**

Pgm. #			
237	Ch.	486/75	Mandate Reimbursement Process
236	Ch.	126/93	Law Enforcement Sexual Harassment Training
243	Ch.	1170/96	Grand Jury Proceedings

**Commission on State Mandates set aside the Parameters and Guidelines for the following program:**

Pgm. #			
238	Ch.	641/86	Open Meetings/Brown Act Reform <sup>2</sup>

<sup>1</sup> In accordance with Budget Item 6870-295-0001, no funds were appropriated for this program

<sup>2</sup> Commission on State Mandates set aside this program as directed by AB 138, Statutes of 2005.

## REIMBURSABLE STATE MANDATED COST PROGRAMS

For your convenience, the programs are listed in alphabetical order by program name. An "x" indicates the fiscal year for which a claim may be filed with SCO.

<b>2007-08 Reimbursement Claims</b>	<b>Pgm. #</b>	<b>Community College Districts</b>		
x	231	Ch.	77/78	Absentee Ballots
x	270	Ch.	893/00	Agency Fee Arrangements
x	232	Ch.	961/75	Collective Bargaining
x	267	Ch.	Title 5	Enrollment Fee Collection and Waivers
x	233	Ch.	1120/96	Health Benefits for Survivors of Peace Officers and Firefighters
x	234	Ch.	1/84	Health Fee Elimination
x	256	Ch.	1116/92	Integrated Waste Management
x	235	Ch.	783/95	Investment Reports
x	212	Ch.	284/98	Law Enforcement College Jurisdiction Agreements
x	239	Ch.	465/76	Peace Officers Procedural Bill of Rights
x	240	Ch.	875/85	Photographic Record of Evidence
x	241	Ch.	908/96	Sex Offenders: Disclosure by Law Enforcement Officers
x	247	Ch.	105/87	Sexual Assault Response Procedure
x	242	Ch.	1249/92	Threats Against Peace Officers

### Initial Claims

x <sup>3</sup>	287	Ch.	603/94	California State Teachers' Retirement System (CalSTRS) Service Credit
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## AUDIT OF COSTS

All claims submitted to SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with SCO's claiming instructions and the Commission on State Mandate's Parameters and Guidelines (Ps and Gs). If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a CCD is subject to audit by the State Controller no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later.

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<sup>3</sup> This is a new program and is reimbursable for fiscal years 01-02 and following.

However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed, must be retained for the same period, and must be made available to SCO on request.

## **SOURCE DOCUMENTS**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs incurred to implement the mandated activities. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

## **RETENTION OF CLAIMING INSTRUCTIONS**

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the Community College Mandated Cost Manual to replace the old forms. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on SCO's Web site at **[www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml)**.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to **[LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov)**, or call the Local Reimbursements Section at (916) 324-5729.

<b>Program</b> <span style="font-size: 24pt; font-weight: bold;">232</span>	<b>MANDATED COSTS</b> <b>COLLECTIVE BARGAINING</b> <b>CLAIM SUMMARY</b>				<b>FORM</b> <span style="font-size: 24pt; font-weight: bold;">1</span>
(01) Claimant			(02) Fiscal Year  20__/20__		
<b>Rodda Act Direct Costs</b>		<b>Cost Elements</b>			
	(a)	(b)	(c)	(d)	(e)
	Salaries and Benefits	Materials and Supplies	Travel	Contract Services	Total
(03) Reimbursable Activities					
1. Determining Bargaining Units and Exclusive Representation					
2. Election of Unit Representation					
3. Cost of Negotiations					
4. Impasse Proceedings					
5. Collective Bargaining Agreement Disclosure					
6. Contract Administration					
7. Unfair Labor Practice Charges					
(04) Total Rodda Act Direct Costs					
<b>Winton Act Direct Costs</b>					
(05) Base Year, 1974-75 Direct Costs					
(06) Base Year Direct Costs Adjusted by IPD			[Line (05)(e) x 4.315 for 2007-08 F.Y.]		
(07) Increased Direct Costs			[Line (04)(e) – line (06)]		
<b>Indirect Costs</b>					
(08) Total Rodda Act Direct Costs Less Costs Not Used in Distribution Base Calculation			[Refer to claiming instructions]		
(09) Base Year Costs Less Costs Not Used in Distribution Base Calculation			[Refer to claiming instructions]		
(10) Increased Direct Costs			[Line (08) - line (09)]		
(11) Indirect Cost Rate			[Federally approved 2 CFR, Part 221/215 (OMB A-21); FAM-29C, or 7%]		%
(12) Increased Indirect Costs			[Line (10) x line (11)]		
(13) Total Increased Direct and Indirect Costs			[Line (07) + line (12)]		
<b>Cost Reduction</b>					
(14) Less: Offsetting Savings					
(15) Less: Other Reimbursements					
(16) Total Claimed Amount					[Line (13) – {line (14) + line (15)}]

<b>Program</b> <b>232</b>	<b>COLLECTIVE BARGAINING</b> <b>CLAIM SUMMARY</b> <b>Instructions</b>	<b>FORM</b> <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) For each of the reimbursable activities, enter the total allowable cost from Form-2, line (05), columns (d) through (g) onto Form-1, block (03), lines (1) through (7), columns (a) through (d). Total each line and enter in column (e).
- (04) Add columns (03)(d) and (e) for Cost Elements, and enter the totals on this line.
- (05) Method A. Enter the 1974-75 Winton Act (base year) costs on line (05)(e). Enter on line (05)(d) any contract service costs included in line (05)(e).  
  
Method B. Enter the amount from Form-1.1A, line (04)(b) onto line (05)(e). Enter on line (05)(d) any contract service costs included in line (05)(e).
- (06) Method A. Multiply the base year cost on line (05)(e) by the implicit price deflator (IPD). The 2007-08 IPD is 4.315.  
  
Method B. Enter the amount from Form-1.1A, line (04)(d).
- (07) Subtract the Base Year Direct Costs Adjusted by the IPD, line (06), from Total Rodda Act Direct Cost, line (04)(e).
- (08) Total Rodda Act Direct Costs Less Costs Not Used in Distribution Base Calculation. Enter the amount from one of the following three options: a) Federally approved 2 CFR, Part 221/215 rate, formerly OMB A-21; b) Total Rodda Act Direct Costs, FAM-29C rate, or Salaries and Benefits 7% option.
- (09) Base Year Costs Less Costs Not Used in Distribution Base. Enter the amount from one of the following three options: a) Federally approved 2 CFR, Part 221/215 rate, formerly OMB A-21; b) Total Rodda Act Direct Costs, FAM-29C rate, or Salaries and Benefits 7% option, times the unit calculation for the fiscal year of claim (4.315 for 07-08).
- (10) Subtract Base Year Costs, line (09), from Total Rodda Act Direct Costs, line (08).
- (11) Community college districts may use the federally approved rate from 2 CFR, Part 221/215, (formerly OMB A-21), the computed rate using form FAM-29C, or the 7% indirect cost rate.
- (12) Multiply Incremental Direct Costs line (10), by Indirect Cost Rate, line (11).
- (13) Enter the sum of Incremental Costs, line (07), and Incremental Indirect Costs, line (12).
- (14) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (15) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, which reimbursed any portion of the mandate cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (16) Total Claimed Amount. Subtract the sum of Offsetting Savings, line (14), and Other Reimbursements, line (15), from Total Direct and Indirect Costs, line (13). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

<b>Program</b>  <b>239</b>	<b>MANDATED COSTS</b> <b>PEACE OFFICERS PROCEDURAL BILL OF RIGHTS (POBOR)</b> <b>COMMUNITY COLLEGES</b> <b>CLAIM SUMMARY</b>					<b>FORM</b>  <b>1</b>	
(01) Claimant			(02) Fiscal Year  ___ / ___				
<b>Claim Statistics</b>							
(03) Number of full-time sworn peace officers employed by the district during this fiscal year							
<b>Flat Rate Method</b>							
(04) Total Cost [Line (03) X \$39.31 for 07-08 fiscal year] [Enter total on line (09)]							
<b>Actual Cost Method</b>							
<b>Direct Costs</b>		<b>Object Accounts</b>					
		(a)	(b)	(c)	(d)	(e)	(f)
(05) Reimbursable Activities		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. Administrative Activities							
B. Administrative Appeal							
C. Interrogations							
D. Adverse Comment							
(06) Total Direct Costs							
<b>Indirect Costs</b>							
(07) Indirect Cost Rate [From FAM-29C, OMB-A-21, or 7%]						%	
(08) Total Indirect Costs [Line (06)(a) x line (07)]							
(09) Total Direct and Indirect Costs [Refer to claiming instructions]							
<b>Cost Reduction</b>							
(10) Less: Offsetting Savings							
(11) Less: Other Reimbursements							
(12) Total Claimed Amount [Line (09) - {(line (10) + line (11))}]							



<b>Program</b>  <b>239</b>	<b>MANDATED COSTS</b>  <b>PEACE OFFICERS PROCEDURAL BILL OF RIGHTS (POBOR)</b>  <b>COMMUNITY COLLEGES</b>  <b>CLAIM SUMMARY</b>	<b>FORM</b>  <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) Enter the number of full-time sworn peace officers who were employed by the school district during the fiscal year of claim.
- (04) Total Cost. Multiply the number of peace officers from line (03) by the flat rate for the fiscal year, and enter the result on lines (04) and (09).
- (05) Reimbursable Activities. For each reimbursable activity, enter the total from form 2, line (05), columns (d) through (h) to form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (06) Total Direct Costs. Total columns (a) through (f).
- (07) Indirect Cost Rate. Community colleges have three options: (1) Use the indirect cost rate from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate from SCO's FAM-29C; or (3) use 7% rate.
- (08) Total Indirect Costs. Enter the product of multiplying Total Salaries and Benefits, line (06)(a), by the Indirect Cost Rate, line (07).
- (09) Total Direct and Indirect Costs. Flat Rate Method: Enter the total from line (04).
- Actual Cost Method: Enter the sum of Total Direct Costs, line (06)(f), and Total Indirect Costs, line (08).
- (10) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (11) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (12) Total Claimed Amount. Line (09) less the sum of line (10) plus line (11). Enter the total on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.